

# State of California



## Fair Political Practices Commission

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May 10, 1984

Patrick Formby  
Deukmejian Campaign Committee  
2942 Channing Way  
Los Alamitos, CA 90720

Re: FPPC No. A-84-120

Dear Mr. Formby:

On April 11, 1984, Mary Ann Kvasager of this office wrote to you regarding our review of the computer-generated campaign statement filed by the Deukmejian Campaign Committee. In that letter Ms. Kvasager described the proper method of reporting contributions which are received and deposited by the Committee, but are then returned, by Committee check, to the contributors.

The Commission staff has recently modified this method of reporting. This modified method is not retroactive, so the Deukmejian Campaign Committee is not required to amend any of its campaign statements to reflect this method. However, future reporting may be affected.

As you know, pursuant to Gov. Code Section 84211(q), contributions which are not cashed, deposited or negotiated and are returned to the contributor before the closing date of the next campaign statement are not required to be reported at all. However, when contributions are received and are either cashed, deposited or negotiated, or are not returned to the contributors during the period covered by the next campaign statements, the contributions must be reported on Schedule A.

The proper method of reporting the return of such contributions is as follows:

If the contribution is returned to the contributor within 30 days of receipt, the transaction should be reported in the manner described in Ms. Kvasager's letter -- that is, itemize the receipt of the contribution on Schedule A, and immediately following the itemization, indicate that the contribution has been returned, and enter the amount as a negative figure in the "Amount" Column. In this way, the cash on hand will balance, and the amount will be deducted from the aggregate contributions received. It is not

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necessary to make any notation on Schedule E. However, if you wish, you may make a notation indicating that a payment has been made to return a contribution, and refer to Schedule A. Do not enter the amount in the "Amount Paid" column.

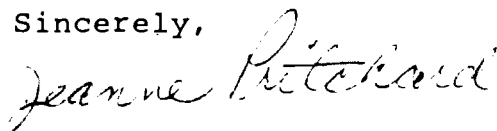
If the contribution is not returned within 30 days of receipt, itemize the receipt of the contribution on Schedule A -- you may make a notation that the contribution has been returned, and a reference to Schedule E. On Schedule E, itemize the payment to the contributor; in the "Description of Payment" column, indicate that it is a return of a contribution reported on Schedule A; and enter the amount in the "Amount Paid" column. In this way, the cash on hand will balance, but the contribution will not be deducted from the aggregate contributions received.

With regard to the reporting requirements of the contributor, if the contribution is \$5,000 or more, or if the contributor is a committee, the contributor must report the contribution on his or her campaign statements. If the contribution is returned within 30 days, however, the return can be shown as a negative itemization immediately below the contribution. If it is not returned within 30 days, the return must be treated as income to the contributor.

It occurred to us that the Deukmejian Campaign Committee may wish to provide additional information to the public about the returned contributions by making a notation on each campaign statement to explain the Committee's policy.

Please call me if you have any questions.

Sincerely,



Jeanne Pritchard  
Political Reform Consultant

JP:kt